The Future is Faction

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November 2019

Key Takeaways

► While moderates have had little to celebrate recently, they may have a rare opportunity to regain key footholds in the American political system.

► Building moderate factions within the two major parties is the best investment of time, energy, and money for those who want a more deliberative, entrepreneurial, and productive political system.

► This opportunity can be missed if moderate reformers devote their time to pointless democracy-reform do-goodism or quixotic third-partyism that does not build up a base of power in the two parties.

► Within the parties, moderates will only get the power they desire by organizing as a coherent bloc, mobilizing moderate voters, and developing ideas to inspire their base and to provide opportunities for policy change.
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Introduction

Moderates have found the politics of the last few decades deeply depressing. While they once had considerable leverage in both major parties, they are now more likely to be scornfully dismissed if they’re acknowledged at all. Yet the current political moment may offer moderates a rare opportunity to regain key footholds in the American political system. Doing so will require them to shift their efforts away from doomed crusades like forging a new centrist party, and toward the trench warfare of working within the existing two-party system.

Chasing nonpartisan or anti-partisan fantasies may provide psychological comfort, but it’s not going to generate much in the way of tangible results. Given the deep, self-reinforcing dynamics behind the disproportionate political influence of those at the ideological poles, no reform effort faces very attractive odds. That said, building moderate factions within the two major parties is the best investment of time, energy, and money for those who want a more deliberative, entrepreneurial, and productive political system.

The Moderates’ Misunderstandings

American political parties have increasingly been captured by their ideological extremes and, as a consequence, the space for cross-party coalition-building has shrunk. Because our political institutions make it difficult to pass major policy reforms without support from both parties, the absence of moderates to bridge the divide means that polarization has generated legislative gridlock. Where moderates were once critical to building coalitions across party lines, both parties’ leaders have established a hammerlock over the agenda in Congress, allowing only single-party coalitions to form except under very unusual conditions.¹ This process has been abetted by negative partisanship — that is, party attachment driven by fear and loathing of the other side more than a positive attachment to one’s own party program — which has created a climate in which building bipartisan coalitions is seen as the equivalent of trading with the enemy.²

These familiar patterns have led ideological moderates to search for the bug in American institutions that is responsible for such extreme systemic dysfunction. Some have identified party primaries as the culprit and have embraced reforms like California’s jungle primary or, more recently, ranked-choice voting. Others blame the ideologically imbalanced structure of legislative districts and called for nonpartisan redistricting or judicial supervision of the redistricting process. Yet whatever desirable effects such reforms may bring, they have not produced a much higher number of moderate legislators, and thus our optimism about their potential to do so in the future should be limited.

The failure of these kinds of reform mechanisms to spark a rebirth of moderation has led some moderates to conclude that the real problem lies with the Democratic and Republican parties themselves. Calling for a pox on both of their houses, these disenchanted moderates have fallen under the sway of one of the great chimeras of American politics: the exciting but ultimately Pollyannaish hope of creating a centrist third party to take on the two-party oligopoly. If we lived in a different country, a third party might be well worth exploring. But because the two-party system is baked into the cake of the American political system, the pursuit of a third party is guaranteed to be a sinkhole for money and energy.

Yet there is a more fundamental mistake behind all of these ideas for reform. They presume that the way to get more moderate legislators — and hence more moderate governance — is to change the rules of the game. To be sure, there is clearly something to the idea that the design of American institutions may be exacerbating political polarization and that changing them would make it easier for moderates to compete. But the cold, hard truth is that moderates face a difficult, if not intractable, problem that institutional reforms will never be able to fully remedy. Even under optimal institutional rules, political outcomes are not determined by the mystical, disembodied median voter so much as they are by the blood, sweat, and tears of committed partisan actors. In the American political system, there are no shortcuts around the hard work of organization, mobilization, and engagement in the

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sometimes unseemly business of party politics.\textsuperscript{6} To put it more bluntly, moderates lose to those on the ideological extremes because their adversaries — to their credit — actually do the hard, long-term work that democratic politics rewards.

Moderates, by contrast, have largely abandoned the field.\textsuperscript{7} The wingnuts we so often deplore are often the ones who actually show up, organize, and devote themselves to building durable institutions for political and intellectual combat. Moderates, perhaps because they believe that the broad public is already with them, tend to believe that the control of politics by those mobilized at the ideological poles is illegitimate, and they look for ways to design rules to allow the sensible but unmobilized middle to have its preferences govern without having to do the hard work of organizing for action within the two major parties.

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This is backwards. There is simply no way to get around the fact that democratic politics rewards participation and preference intensity, both at the mass and elite levels.\textsuperscript{8} Energized actors at the poles have abundant incentives and resources to mobilize their supporters, and they have used that power to seize control of institutions — including the Republican and Democratic parties. Moderates have to wake up and realize that they need to do the same. Unless moderates increase their own commitment to durable, organized political activity, there is no institutional tweak that will keep them from losing out to those on the extremes.


Exploiting Fissures Within the Parties

In the past, moderates have relied on three alternatives to durable partisan organization:

First, they have relied on the financial resources of moderate donors to pull the parties to the center, a strategy that has long since been ineffective with Republicans and which is increasingly running out of steam with Democrats (as we can see by the stigma on high-dollar fundraisers in the presidential primary and the increasing reliance on — and pious rhetoric attached to — small donations).

Second, they have counted on their control of relatively insulated parts of government, such as the Federal Reserve and the foreign policy establishment. However, the power of both parties’ moderate professionals — acutely in the Republican Party, and incrementally among the Democrats — appears to be diminishing, and strategies for further insulating various domains of government from partisan influence seem extremely unlikely in our populist age.⁹

Third, moderates have taken advantage of the power of incumbency, drawing strength from members first elected in a less polarized era. But with each election cycle, these moderate incumbents are gradually replaced by new, more extreme members. Especially on the Republican side, the absence of collective organization means that moderates lack an ability to draw on a recognized, national brand that’s distinct from their party’s dominant, more extreme brand. As a result, they have to either quit — as most moderates have — or join the herd.

Their declining influence has led moderates to search for institutional reforms to amplify the voice of moderate voters. The most desperate indulge the Hail Mary scheme of forming a new, moderate third party. But while this search has paid the salary of many an otherwise unemployed political consultant, the dream of a moderate third party is futile, and not just because of the inescapability of Duverger’s law in the American context (which is that a third party in a first-past-the-post system will inevitably hurt the major

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party it is closest to — that is, that it will backfire).\textsuperscript{10} While there are many voters who don’t fit naturally with the ideologies of the two parties, the largest such group is socially conservative and fiscally liberal.\textsuperscript{11} That is the opposite of the Bloomberg/Schultz consensus of woke austerity that is the typical animating outlook for those pining for a third party.

The cruel truth is that there is no politically viable future for moderates outside the Democratic and Republican parties. And within those parties, moderates will only get the power that they desire by organizing as a coherent bloc, recruiting attractive candidates, mobilizing moderate voters in each party to participate in partisan politics, and developing ideas to inspire their base and provide opportunities for policy change. Without strong, durable, organizationally-dense factions, individual moderates or even entire state parties will not be able to distinguish themselves from their national brand or fight for leverage in national politics.\textsuperscript{12} In other words, what influence moderates will have in the coming years will only emerge as a result of organizing as coherent minority factions within the Democratic and Republican parties.

But how can they do that when the two parties have been captured so thoroughly by their activist poles? Could moderate factions in the Democratic and Republican parties actually have any significant influence?

We think that they could and that moderates will have new opportunities to carve out footholds within the party system and thereby shape the country’s future. The opening will come from deep forces at work in American society and politics that are going to cause the two parties to become less and less cohesive in the coming years. On the Republican side, Trumpist populism is making the party increasingly uncompetitive in the suburbs, creating political demand from some office-seekers for collective action that would allow them to distance themselves from the GOP’s toxic national brand. Among Democrats, the temptation for overreach that accompanies the increasing power of the left in a number of coastal states will open up opportunities for Republicans who can split off suburban, relatively moderate Democrats with the promise of political adult supervision for left-wing legislative majorities.

\textsuperscript{10} Patrick Dunleavy observes that Duverger's law seems to apply only in the United States. But there it applies ruthlessly. https://blogs.lse.ac.uk/politicsandpolicy/duvergers-law-dead-parrot-dunleavy/.


These forces have already created significant fissures within both parties that show no signs of abating. As these fissures widen, they will create an opportunity for organized and mobilized factions with different social and geographic bases to reemerge as a major force in American politics.

Under a scenario in which factions return, the control of Congress by party leadership will break down, as members will no longer consent to restrictive rules. When this occurs, the legislative agenda will become more chaotic and the opportunity for legislative entrepreneurship will expand. Habits of cross-party coalition-building that have faded in recent years will be rediscovered and the utility of constructing coalitions of strange bedfellows will increase. It’s important to recognize that moderate factions don’t need to be dominant to force such changes. Indeed, a relatively small — but pivotal — amount of disciplined moderate dissent in each party would be enough to provide the political leverage to demand rules changes conducive to greater cross-party agenda-setting. If that happened — and if supportive institutions, like think tanks, started supplying policy ideas with appeal across party lines — it would produce a Congress that has more in common with the early 1970s than the last quarter century.

“If moderate factions don’t need to be dominant to force changes.”

If we are right, moderates — especially those with resources to devote to politics — should redirect their efforts. While the stage is set for factionalization in both parties, exploiting that opportunity will require the creation of durable institutions within each party designed to fight the battle for intraparty supremacy. Especially in the GOP, that is a battle that moderates cannot win in the sense of attaining dominance (at least in the foreseeable future). But, again, they do not need to attain primacy in the party in order to achieve many of their goals — they just need to pick, and win, the right battles.

The opportunity to gain sufficient power to change the operation of legislative institutions is emerging. But, crucially, that power will not simply be dropped in moderates’ laps. This opportunity can be missed if moderate reformers devote their time to pointless democracy-reform do-goodism or quixotic third-partyism that does not build up a base of power in the two parties.
Ultimately, there is no nonpartisan route to the kind of looser, more deliberative democracy that many moderate reformers want. In the American political system, the only pathway is through the political parties. That may be uncomfortable for moderate donors in particular, who find partisan politics and the long, slow slog of political mobilization distasteful and prefer “practical problem solving” and yearn for government by experts. But ultimately, the path to improved democratic governance requires seizing power. If moderate votes, organizational activism, money, and ideas are not mobilized in the right places and over the long term, we will likely remain mired in hyperpolarized gridlock.

Distinct Factional Brands

Our current state of affairs makes it easy to forget that today’s homogenous American parties are an anomaly, not the norm. More typically, the two major parties have each been deeply divided. This is an outgrowth of how our party system is structured. More specifically, two key ground rules in our electoral system overwhelmingly tilt the playing field toward a two-party system rather than a multiparty system. First, we have single-member districts in which each congressional and legislative district elects its own representative. Second, we have a winner-take-all system. This means that — unlike in a proportional system — garnering, say, 10 percent of the vote doesn’t translate into 10 percent of the seats in legislative bodies. For third parties to gain any power, they have to actually win elections. This high standard for entry means that the two parties have an effective duopoly.

Because our institutions push strongly in the direction of two parties, it is no surprise that there has been no durable third party in the United States since the Republicans dislodged the Whigs in the 1850s. However, our enormous population, vast geography and demographic heterogeneity make it hard for those parties — especially in Congress — to be internally coherent. The consequence is that the ideological and coalitional diversity that other systems process through multiple parties has typically been institutionalized in the United States through durable factions within the two dominant political parties.13

Despite that, for the last couple decades both parties have been remarkably lacking in factional divisions. The Republicans in particular have not had

13 On the role of factions in American political parties across history, see DiSalvo, Engines of Change.
organized groups with significantly different ideas, institutions, funders, and geographic bases. There has been, of course, the Freedom Caucus in the House of Representatives, but even there it disagreed with the leadership not on first principles but primarily on tactics.¹⁴

This era of internal coherence may be coming to an end. The Democrats are already seeing the first signs of durable factional divisions emerging in their ranks, with some members openly calling themselves socialists and rallying behind a presidential candidate — Bernie Sanders — who has always resisted membership in the party itself. This leftist wing of the party now has an increasingly large membership organization, the Democratic Socialists of America, that funnels party participation through a factional structure. The Democrats’ left-wing has its own information networks, focused on social media. Increasingly, it also has its own think tanks – such as the Roosevelt Institute, Demos, New Consensus and Data for Progress — and magazines like N+1 and Jacobin to provide their faction with ideas, such as the Green New Deal and Medicare For All. They also have their own ways to raise money, focused on large groups of small-dollar donors. Some members of this budding left faction of the Democrats, such as Justice Democrats, appear eager to openly challenge the party’s leadership and will likely become even more aggressive as their ranks in the congressional caucus increase.

By contrast, the moderate wing of the party is somewhat less developed, although it has a significant base of large donors, a group of loosely affiliated members of Congress (the New Democrat Coalition) and a few think tanks like Third Way and the Progressive Policy Institute. But both of these factions are likely to only grow and deepen in the future, potentially squeezing politicians, activists, donors, campaign professionals, and intellectuals to join one faction or the other. It remains to be seen which faction will be dominant. The energy is certainly with the Democratic left for now, but it could be countered by growth in the moderate faction driven by refugees from an increasingly populist Republican Party. Whichever faction gains the upper hand, the Democrats in the future will almost certainly be a more deeply divided party than they have been since the fall of the conservative Southern Democrats.

The Republicans are likely to also become more factionally divided. Going forward, the dominant faction of the GOP will almost certainly be populist and nationalistic, yet they will not have the party all to themselves. The populists

are going to be forced to share the GOP with what we will call a *liberal-conservative* faction in recognition of their grounding in classical liberal principles of free trade, pluralism, and constitutionalism. The Republican Party in most of the South and Mountain West, along with a good part of the Midwest, will be Trumpist in character. But that dominant faction will be all but uncompetitive in the Southwest, the Pacific Coast, New England, and the Acela Corridor, even as far down as Virginia. Notably, these are the same parts of the country where the left wing of the Democrats will be the strongest, possibly even dominant. That leftist tilt will make the Democrats potentially beatable, especially in nonfederal races, by a Republican Party that embraces an individualist vision of racial and ethnic diversity; stands for economic competition and entrepreneurship; offers market mechanisms to protect the environment; promotes internationalism in foreign policy; and proposes aggressive measures to fight poverty and enhance economic mobility without growing the public payroll or handing over power to public-sector unions.

The core voters for this liberal-conservative faction will be the educated middle class, business, and more upwardly mobile parts of ethnic minority groups, especially in cities and states where Democratic governance starts to pinch their core interests. The faction will find significant financial support in the technology and finance sectors of the East and West Coasts (support it will share with moderate Democrats), which combine cultural liberalism with a pro-capitalist economics, albeit with a reformist bent. This faction will still be recognizably conservative, especially on secular questions of social order like crime and homelessness, opposition to public sector unions, and a general pro-market orientation.

The appeal and competitiveness of a Republican Party like that in the bluer parts of the country can already be seen in the reelection of Republican governors in Maryland and Massachusetts who, in a somewhat inchoate form, already embrace such an approach. Currently, these examples of GOP success in Annapolis and Beacon Hill are of the lone wolf variety. Fueling a durable faction with something more than charisma will require these leaders and their supporters to build a broader organization and forge connections with like-minded partisans elsewhere. Clearly Larry Hogan and Charlie Baker have not achieved anything of the sort. However, their success nonetheless offers some hope that building a liberal-conservative faction in the Republican Party is not a fantasy.

To be sure, this will be a minority faction. It will not be dominant in enough
states to ever — with rare exceptions — form a majority in the Republicans’ congressional party or get one of its adherents the GOP presidential nomination. But if it is able to develop a genuinely distinctive, independent factional brand — such that voters do not think of themselves as supporting the dominant, populist faction with their vote in congressional elections — it could be powerful enough that the majority faction is forced to negotiate and share power with it.

However, the nationalizing trends in American politics will make the creation of a distinct party factional brand challenging in ways that it has not been in the past. Americans are already becoming accustomed to voting in state and local elections on the basis of their national party preferences, for instance. Nonetheless, the liberal–conservative wing of the Republican Party in particular will have some very impressive advantages with which to build a distinct brand. The nationalization of the media, for instance, will play into the hands of the liberal–conservatives since their strongholds are in the country’s media centers. And because this faction will be particularly attractive to business interests in technology and finance, it will have more than adequate resources to build institutions, fund candidates, and engage in intrapartisan warfare for control of state parties. It also will be especially attractive to the kinds of experts and thinkers who played such a key role in the Never Trump phenomenon and therefore will not lack for policies or well-developed public philosophies. Taken together, these are impressive resources with which to engage in faction–building.

The establishment of durable, organized factions along these lines would be a boon for moderates. Congress will look far different than the leadership-dominated institution to which we have become accustomed. In a world with more heterogeneous parties, neither party’s majority leadership will be able to organize either chamber of Congress without reaching a bargain with its minority faction. In exchange for their support in organizing Congress, the minority factions will insist upon institutional rules that significantly weaken the majority party leadership’s exclusive control of the legislative agenda.


Evidence that technology entrepreneurs in particular are not an ideal fit for either party — but would be a very good fit for a liberal–conservative faction of the Republicans — can be found in David Broockman, Gregory Ferenstein, and Neil Malhotra, “Predispositions and the Political Behavior of American Economic Elites: Evidence from Technology Entrepreneurs,” American Journal of Political Science (Jan. 2019), 212–233.

This argument draws on “conditional party government” theory, the most important examples of which are David W. Rohde, Parties and Leaders in the Postreform House (Chicago: University of Chicago Press, 1991) and John Aldrich, Why Parties? The Origin and Transformation of Political Parties in America (Chicago: University of Chicago Press, 1995).
This will be especially important because, in particular on issues of national security, trade, and immigration, the Republicans’ liberal-conservative faction will have more in common with the Democrats’ moderate faction than with its own party majority, and it will want the opportunity to legislate with its counterpart across the aisle. While frustrated with the minority moderate factions in their parties, the majority factions will have no choice but to work with them, since they will be competitive in places the majority factions are not. If the liberal-conservatives are able to develop a sufficiently distinct brand that can avoid the toxicity of the populist-nationalist Republican majority faction, they will be able to elect enough members of Congress to make the difference between a GOP majority and suffering in the minority. So while they will differ dramatically on policy, the GOP’s factions will have a strong common interest in attaining institutional control. A similar dynamic will play out among the Democrats.

Fighting for Moderation

This return to factional political parties with the potential to reinvigorate the place of moderates in the American political system is a scenario, not a certainty. And it won’t unfold purely on the basis of mechanical, structural forces. It is contingent on the existence of creative, intelligent agency on the part of individuals and organizations. A faction is composed of a network of organizations, and organizations do not emerge spontaneously. Moreover, there is no guarantee that they will be well-designed, well-led, sufficiently cunning, or endowed with enough resources flowing with the right incentives. In particular, the opportunity to build more factional parties depends upon the emergence of a core group of activists and donors who will provide the leadership and resources to build the structures through which a mobilized faction could emerge. Indeed, there is a significant danger than the very spirit that characterizes moderates — a tendency to eschew party politics — will lead their organization-building and reformist efforts into third-party or nonpartisan blind alleys.

Yet some of the raw materials of moderate factions in both parties already exist. Billionaire donors like Kathryn Murdoch and Seth Klarman are already starting to target their giving on building up political infrastructure for the parts of the parties that are neither populist nor socialist. But for these resources to have an impact, donors in both parties will need to shift their political activity toward consciously seeding the wide range of electoral,
policy, and intellectual organizations that will allow moderates to gain leverage within institutions largely dominated by extremists. To take just one example, new magazines will need to form to provide ideas for the liberal-conservative faction of the Republican Party and the moderate faction of the Democrats, providing an outlet for affiliated academics, writers, and think tanks.

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With the institutions of the national party largely out of their reach, activists, donors, and intellectuals alienated by the polarized direction of their respective party will need to redirect their activity into capturing and then building it up in places where it has desiccated. Where their parties are weak, moderates will have an opportunity to establish a power base for intraparty conflict. They will need to form new organizations of elected officials, along the lines of what the Democratic Leadership Council established in the 1980s, to create a political identity for aspiring officeholders distinct from the national party. If they are successful, they will translate their custody of state government, at least on occasion, into electing factional supporters to Congress and use their new institutions to coordinate their legislative efforts. The dominant populist faction of the Republican Party and the left faction of the Democratic Party may not even resist the growth of their minority factions, since they will operate in places where each party is nearly extinct, and success in those places may be necessary for controlling Congress in the future.

There is no question that on the Republican side, moderates are at a disadvantage in capturing state parties — even in places where the Trump brand is toxic — given that the president has such a dominant position among the party base. But that does not necessarily mean that the effort to build a power structure for Republicans in enough states to have influence is
hopeless. Republican governors in blue states have especially powerful sway over their state parties and can use that to build a strong factional — as opposed to merely personal — base for moderation. In Virginia, for instance, the Trump brand has almost single-handedly destroyed the Republican Party’s power in the state, making it uncompetitive in the middle-class suburbs that pave the way to control in Richmond. That suggests there could be demand from office-seekers for a rebranded party capable of differentiating itself from the increasingly toxic national brand by associating itself with a moderate faction.

In Kansas, moderate Republicans openly defected from their more extreme conservative counterparts to reverse the sweeping tax cuts that wrecked the state’s finances. More could and should be done to build that group into a durable faction in the state legislature. Even more broadly, moderate Republicans in a few states such as these need to focus on actually organizing ordinary citizens who agree with them — which in some places will include Democrats defecting from a party that is increasingly controlled by the left — to compete for control of their state parties. That will be the work of more than a year or two, but it is the kind of long-term effort that has given conservatives the whip hand in the party.

Conclusion

The scenario we sketch above is certainly not the only possibility, but it is internally consistent and makes sense of various pieces of activity and networks that are already in place. It also suggests that by developing factions within each party, moderates have a golden opportunity to reemerge as a power center in American politics. While they may seem like unicorns in our current, polarized moment, factions used to be the norm in American politics and the time is ripe for their reemergence. But it’s not going to happen on its own. Moderates will have to summon the motivation and discipline that already drive their competitors.
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